

**City of Reading
City Council
Work Session
Monday, October 17, 2011**

Councilors Attending: V. Spencer, F. Acosta, M. Goodman-Hinnershitz, S. Marmarou, D. Reed, D. Sterner, J. Waltman

Others Attending: L. Kelleher, C. Geffken, C. Younger, A. Boscov, D. Robinson, D. Wright, J. Kromer, R. Natale, D. Kersley, F. Denbowski, S. Welz

Vaughn D. Spencer, President of Council, called the Work Session to order at approximately 7:30 pm.

Managing Director's Report

Mr. Geffken read the report distributed to Council at the meeting covering the following:

- Update on the North Front Street paving project
- Start of the City's Fall Leaf Collection Program
- Eligibility for \$4.5M in disaster relief from FEMA for conditions caused by Hurricane Irene and Tropical Storm Lee
- Noting the completion of the draft Housing permit and Zoning amendment ordinances and noting that 29,979 of the homes currently occupied in Reading, 17,276 are rental properties

Ms. Reed inquired about the traffic problems at Riverside Elementary School caused by the North Front Street Paving Project. Mr. Geffken stated that the traffic problems have been resolved.

NSP2 Update

Mr. Robinson stated that the City received a \$5M NSP2 grant from the federal government approximately three (3) years ago. He stated that only two (2) communities in Pennsylvania received the NSP2 grant; Reading and Philadelphia. He stated that a consortium was formed in the grant application. The consortium members are the Reading Housing Authority, Our City Reading, and the Community Development office who handles the administrative portion of the program. He stated that the HUD grant requires the majority of the grant to be used in a defined area selected by HUD. HUD chose the Ricktown area after reviewing the census data. The City was permitted to select one (1) additional area that qualified and the Mineral Spring Road area was chosen.

Mr. Boscov's stated that to-date three (3) NSP2 homes have sold, three (3) homes are awaiting settlement, twelve (12) homes are ready for marketing, and eight (8) homes are under construction. He also noted that seven (7) homes are in the acquisition process. He stated that Sovereign Bank has picked up most of the mortgages. He stated that the program requires the purchaser to put \$500 down and take eight (8) weeks of housing education. He stated that the profits from sales are recycled into the grant fund.

Mr. Boscov's stated that a select number of homes can be rehabilitated outside of the defined area.

Ms. Goodman-Hinnershitz inquired about the selection of the area. Mr. Wright stated that the area was selected by HUD after the City's census tracts for low-income eligibility was reviewed. HUD selected census tracts 10, 11, 12, and 13. The Mineral Spring Road area is tract 18. He stated that the City is considering applying for an amendment to the grant program to allow some of the money to be used for demolition. He stated that currently the fund is only being used for acquisition and rehabilitation.

Ms. Goodman-Hinnershitz agreed with the concept of amending the grant program to allow demolition as many of the homes on the census tracts are devalued to a point where rehabilitation is more costly than the home is worth.

Mr. Marmarou and Ms. Reed noted the need for the City to also support strong neighborhoods. They noted that focusing all the City's resources in one area can create problems in other areas, as one (1) blighted building in a stable neighborhood can bring the neighborhood down quickly.

Ms. Goodman-Hinnershitz noted the need to compare the available funding sources against the housing strategy to determine their best use.

Ms. Reed noted the need for Community Development to explore available programs and funding sources that can be used to de-convert rental properties to owner-occupied properties.

Amendment to Housing and Zoning Ordinance

Mr. Kersley and Mr. Welz stated that currently 1,479 properties are stuck in the Zoning backlog created by the original housing permit process. They stated that the housing permit amendment clarifies various issues within the ordinance, strengthens the penalties and provides the means to withdraw Zoning permits from homes that fall out of compliance.

Mr. Kersley stated that the ordinances were planned and drafted by a work group composed of Ms. Butler, Ms. Kelleher, the Zoning Administrator, Mr. Natale, Mr. Welz, and himself. He noted that the City has also done other things to improve the housing process such as increasing the frequency of housing inspections, implementing the Quality of Life ticketing program, and automating the housing process. He stated that the group will be convening again soon to discuss the means to limit the conversion of single-family homes into rental properties.

Mr. Welz expressed the belief that the successful implementation of the ordinance will provide fair enforcement and help stabilize rental housing. He noted that the ordinance changes the annual registration process by requiring an annual permit. He stated that an annual application will be mailed to the landlord and when completing the application the landlord will be affirming that his property meets all the City codes requirements.

Mr. Kersley explained the parameters of the 1,479 properties that are in the Zoning backlog. He stated that approximately one-half of these properties will be permitted as they will meet the City's requirements; however, approximately 780 properties will require Conditional Use hearings. He stated that before permits are issued to any properties an initial inspection will occur to make sure that the number of units at the rental property agrees with the number recognized by the City.

Mr. Welz noted the escalated no-show fee and compliance penalties. He stated that the ordinance also addresses the registration of vacant properties. He noted that the review of the Zoning ordinance raised the issue of requiring a Conditional Use procedure. Within the procedure, Council can select the means for a Conditional Use hearing, such as using an independent attorney, an individual member of Council, or the full body of Council.

Ms. Kelleher distributed the list of backlog properties.

Mr. Welz stated that the group is suggesting using an independent attorney to handle properties for one (1) through four (4) units, have individual members of Council hold hearings for properties with five (5) to six (6) units, and require full Conditional Use hearings by the full body of Council for the remaining properties.

Mr. Waltman expressed the belief that the ordinance has the tools to somewhat correct the breakdown that occurred in the former AHO process.

Mr. Marmarou inquired about the City's ability to properly enforce the ordinance. Ms. Kelleher and Mr. Geffken stated that the Codes office plans to hire an additional four (4) Property Maintenance Inspectors to handle inspections and two (2) Inspectors to attend to the pre-settlement inspection and the Blighted Property process.

Ms. Goodman-Hinnershitz suggested educating other agencies about the City's housing requirements so they can identify properties that do not comply.

Ms. Goodman-Hinnershitz suggested that each individual District Councilor handle hearings for properties within their own District.

Mr. Waltman expressed his belief in the approach both ordinances take; however, he suggested reviewing the implementation process before the ordinances are enacted.

Ms. Goodman-Hinnershitz inquired about the enactment timeline. Ms. Kelleher stated that the Public Hearing for the Zoning amendment is scheduled for October 18th at 5pm in Council Chambers, making the ordinances eligible for enactment at the Regular Meeting of Council scheduled for Monday, October 24th.

Review 2012 CDBG Action Plan

Copies of the CDBG Action Plan were distributed. Mr. Geffken stated that the new draft budget reflects input from the Mayor and Managing Director. He reviewed the various components contained in the Action Plan. The Action Plan provides funding in the following areas:

- CDBG \$2.8M
- HOME (Our City Reading, Habitat for Humanity, NHS) \$1.7M
- ESG \$170K
- 108 loan payments \$628K

Ms. Reed objected to providing BCTV with a contribution of \$74K. She stated that she supports the service provided by BCTV; however the City could be pushing people towards its website if the City had purchased the Granicus equipment for the Penn Room instead. She also questioned funding organizations who obtain the majority of their annual revenue from fundraising activities.

Mr. Acosta questioned the reduction in funding for the Reading Public Library. He expressed the belief that the lack of full funding may create the need for reductions in operational hours and lay-offs. Ms. Kelleher noted that the CDBG budget contains funding for building improvements for the various Reading Public Library branches.

The group next discussed various funding initiatives.

Ms. Reed stated that need that Council needs to remember the ranking of the City's core services by the Administration, City Council, and the public when considering the City's General Fund budget and CDBG Action Plan.

The Work Session adjourned at approximately 9:20pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk